

January 13, 2010

ITEM NO. B1

**AUTHORIZATION TO 1) AWARD A CONTRACT TO D'ESCOTO, INC. FOR
OWNER'S REPRESENTATIVE SERVICES AT POMEROY APARTMENTS (IL2-039)
AND 2) ASSIGN THE CONTRACT TO A LIMITED LIABILITY ENTITY**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer or his designee to 1) award a contract to d'Escoto, Inc., in the firm fixed amount of \$391,500.00 for Owner's Representative services at Pomeroy Apartments (IL2-039), a Senior Housing building located at 1039 West Hollywood Avenue, and 2) assign the contract to a limited liability entity.

FUNDING

No separate CHA funding required. Funding to be provided by a combination of Chicago Housing Authority loan proceeds (General and Other Funds) and Low Income Housing Tax Credit equity. CHA Loan to be authorized under separate Board item.

Specification Number: RFP 09-00430

Vendor: d'Escoto, Inc.

One East Erie, Suite 520

Chicago, Illinois 60611

Contract Type: Professional Services

Contract Amount: \$391,500

Number of Vendors Solicited: 32
(including 17 M/W/DBE Firms)

Assist Agencies: 44

Number of Pick-Ups: 19

Number of Downloads: 28

Number of Respondents: 9

(including 6 M/W/DBE Firms)

Contract Time: 24 months

from the date set
forth in the NTP

Date Advertised: November 10, 2009

Pre-Bid Conference: November 13, 2009

Site Visit: N/A

Addendum No. 1 issued: November 18, 2009

Deadline for Responses: November 25, 2009

Advertisement Publication(s): Chicago Sun-Times

Chicago Defender

Extra

CHA BuySpeed

CHA Website

M/W/DBE Participation:

Direct: MBE 100% WBE 0% DBE 0%

Indirect: MBE 0% WBE 0% DBE 0%

Waiver No

Section 3:

(#) Hiring 1 Subcontracting \$0 Other Economic Opportunities \$0

GENERAL BACKGROUND

The Office of Development Management (“ODM”) solicited from qualified owner’s representatives and/or construction management firms to serve as the Chicago Housing Authority’s (“CHA’s”) Representative (“Owner’s Representative” or “OR”) as it undertakes capital construction and rehabilitation activities of a 1923 apartment building, Pomeroy Apartments. Once completed, it will return one hundred four (104) public housing opportunities to the CHA’s senior citizen community and one (1) manager’s unit. To accomplish this task, the CHA sought full service owner’s representatives and/or construction management firms (“Respondents”) to provide all necessary construction management activities related to such capital construction and rehabilitation, including, but not limited to, scheduling, coordination, consultation, administration, change order facilitation, claim and dispute consultation and close-out of Pomeroy Apartments (the “Project”). Following the completed interior demolition, the renovation work required in this nine (9) story building will include all upgrades needed to meet local codes and ADA accessibility compliance.

The CHA currently owns Pomeroy Apartments, a public senior housing building located at 1039 West Hollywood Avenue in Chicago (the “Property”). The CHA intends to transfer ownership of the Property to a limited liability entity (the “Owner”). The Owner will be comprised of a Limited Partner (99.991%) represented by a private tax credit investor and a General Partner limited liability entity (.009%) of which CHA will be the sole member. Upon closing of the transfer of the Property to the Owner, the CHA will transfer the construction contract and the Owner’s Representative contract to the Owner. The Property will be redeveloped as a mixed-financed project. CHA will provide collateral for a construction loan and fund a permanent loan, and leverage additional project funding including equity from Low Income Housing Tax Credits. As the General Partner, the CHA will facilitate the transaction and operate the project as public housing.

The CHA will award a firm fixed price owner’s representative contract to the OR per Request for Proposal (“RFP”) No. 09-00430. The OR will be expected to provide all necessary construction management activities related to such capital construction and rehabilitation, including, but not limited to, scheduling, coordination, consultation, administration, change order facilitation, claim and dispute consultation and close-out of the assigned project. This work will continue until the scope of work is completed, which is expected to be within 24 months of the date set forth in the Notice to Proceed.

PROCUREMENT HISTORY

The CHA advertised RFP No. 09-00430 for the Owner’s Representative Services of Pomeroy Apartments renovation on November 10, 2009. The CHA advertised the RFP in the Chicago Sun-Times, Chicago Defender, Extra and on the CHA Website. The CHA also directly solicited seventy-six (76) firms, including seventeen (17) MBE/WBE/DBE firms, and forty four (44) assist agencies. A Pre-Proposal Conference was held at CHA Offices, 60 E. Van Buren, 13th Floor Bid Bond Room on November 13, 2009. Addendum No. 1 was issued on November 18, 2009 to respond to vendor requests for information (RFIs). The CHA received nine (9) proposals on November 25, 2009. A three (3) person committee consisting of members chosen from the

Capital Construction and Office of Development Management Departments (the “Evaluation Committee”) evaluated the proposals.

The Evaluation Committee reviewed and scored the proposals and the Department of Procurement and Contracts (DPC) determined that five (5) firms were deemed to be in the competitive range set by the Director of Procurement and Contracts. Oral presentations and negotiations were held on December 9, and 11, 2009 and the Respondents within the competitive range were further evaluated and scored.

The RFP procurement process allowed for the selection of a responsible and highly qualified Respondent based on price related factors, work plan, past performance related to rehabilitating low income housing tax credit multi-housing developments, experience with LEED certification, quality control and assurance plans, schedule, and contract administration and relationship with subcontractors and material suppliers. In addition to the qualitative complexities generated by low income housing tax credits, and LEED NC v3.0 certification at the silver level, this project is funded in part through the American Recovery and Reinvestment Act of 2009 (“ARRA”). This process also allowed the demonstration of the capacity, experience, and quality assurance which will need to be applied to produce meticulous reporting and detailed record keeping to comply with all applicable provisions of ARRA, including the Buy American provision. d’Escoto, Inc.’s proposal offered the best value to the CHA, cost or price and other factors considered.

Based on the foregoing, it is in the best interest of the CHA to 1) award a contract to d’Escoto, Inc. in the firm fixed amount of \$391,500 for Owner’s Representative Services at Pomeroy Apartments (IL2-039), a Senior Housing building located at 1039 West Hollywood Avenue, and 2) assign the contract to a limited liability entity . This award is subject to the OR’s compliance with the CHA’s MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

RESOLUTION NO. 2010-CHA-5

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated January 13, 2010, entitled "AUTHORIZATION TO 1) AWARD A CONTRACT TO D'ESCOTO, INC. FOR OWNER'S REPRESENTATIVE SERVICES AT POMEROY APARTMENTS (IL2-039) AND 2) ASSIGN THE CONTRACT TO A LIMITED LIABILITY ENTITY";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) award a contract to d'Escoto, Inc., in the firm fixed amount of \$391,500.00 for Owner's Representative services at Pomeroy Apartments (IL2-039), a Senior Housing building located at 1039 West Hollywood Avenue, and 2) assign the contract to limited liability entity.

